

## SUPPLEMENTAL AGREEMENT

This Supplemental Agreement (this "**Agreement**"), entered into on February 10, 2010, is between CAP, S.A., a corporation organized and existing under the laws of Chile, with its principal office at Avenida Gertrudis Echeñique 220, Las Condes, Santiago, Chile ("**CAP**") and M.C. Inversiones Limitada, a company organized as a *sociedad de responsabilidad limitada* and existing under the laws of Chile, with its principal office at Avenida Apoquindo 4499, Floor 14, Las Condes, Santiago, Chile ("**MCI**" and, together with CAP, the "**Parties**"). Capitalized terms used in this Agreement and not otherwise herein defined shall have the respective meanings ascribed to such terms in the SHA and the Master Agreement (each as defined below), as applicable.

### WITNESSETH:

**WHEREAS**, MCI and CAP, among others, are parties to the Master Agreement, dated as of this date (the "**Master Agreement**") and are parties to the Shareholders Agreement, dated as of this date (the "**Shareholders Agreement**" or the "**SHA**");

**WHEREAS**, pursuant to the Master Agreement, MCI's 50% participation in Compañía Minera Huasco S.A. ("**CMH**") would be converted in a direct participation in Compañía Minera del Pacífico S.A. ("**CMP**") through a merger of CMH and CMP (the "**Merger**"), with CMP continuing as the surviving corporation (the "**Surviving Corporation**"); and

**WHEREAS**, upon the completion of the Merger, CAP will own 84.1% ownership in the Surviving Corporation and MCI will own 15.9% ownership in the Surviving Corporation; and

**WHEREAS**, after the Merger and pursuant to the terms of the SHA, MCI will make a subsequent equity capital contribution to increase MCI's total direct ownership in the Surviving Corporation to 25% (the "**Capital Increase**"), all on the terms and conditions set forth in the Master Agreement; and

**WHEREAS**, together, the Merger and Capital Increase represent the "**Proposed Transaction**" in accordance with the terms specified in the SHA and the Master Agreement.

**NOW, THEREFORE**, the Parties agree as follows:

1. Interim Support for CMP.

1.1 Notwithstanding that the Master Agreement provides that the closing of the Merger will take place not later than September 30, 2010 (the "**Target Date**"), if by May 31, 2010, the Merger and the Capital Increase have not

been closed for any reason, such as delay by Chinese antitrust authorities in approving the Merger or the Capital Increase, the Parties will meet to discuss in good faith (a) a possible extension of the Target Date beyond September 30, 2010, and (b) the financial implications on CMP for the delay in completing the Merger and the Capital Increase.

1.2 In addition to the agreement described in Section 1.1 of this Agreement, if, by September 30, 2010, the closing of the Merger and the Capital Increase have not taken place for any reason that is beyond the control of the Parties, such as delay by Chinese antitrust authorities in approving the Merger or the Capital Increase, the Parties will meet once again to discuss in good faith (a) a possible extension of the Target Date beyond September 30, 2010, and (b) the financial implications on CMP for the delay in completing the Merger and the Capital Increase.

1.3 In addition to the agreements described in Section 1.1 and 1.2 of this Agreement, if, at any time before the closing of the Merger, anything beyond the control of the Parties occurs that may threaten any Contemplated Transaction, MCI and CAP, if they deem it necessary, will meet to discuss and mutually consult in good faith their positions regarding such event.

## 2. Pledge under the SHA.

2.1 Pursuant to Section 10.1 of the SHA, the Parties are restricted from making a Transfer of any Shares, but CAP is permitted to pledge (totally or partially) the Shares owned by it in accordance with this Agreement (a "**Permitted Pledge**"). In connection with such Permitted Pledge, CAP hereby declares for MCI's benefit that it is not its intention to enter into pledge agreements with respect to any of the Shares owned by CAP, nor does it foresee any circumstances that would result in CAP needing to enter into such a pledge in the next three years after the date of this Agreement.

2.2 If CAP desires to pledge its Shares, it will do so only as the last option after it has used its best efforts to obtain acceptable financing that does not involve a pledge of CAP's Shares. CAP may pledge its Shares only if all other reasonable alternatives for raising funds for CAP have been identified, investigated and discarded.

2.3 If no other reasonable alternative exists and CAP must raise debt financing by pledging such Shares to a prospective lender, MCI or an Affiliate designated by MCI will have the right to provide or arrange the financing on the same terms as then offered to CAP by such prospective lender. If MCI chooses not to extend or arrange this debt financing, then CAP may borrow from such prospective lender on such terms and grant a pledge of such Shares to secure the debt, subject to Sections 2.4, 2.5 and 2.6 of this Agreement.



2.4 CAP expressly covenants that, in any event whereupon it would pledge or have the intention to pledge any of the Shares owned by CAP, it will provide MCI with not less than sixty (60) days' prior written notice from the date of granting of the proposed pledge ("**Proposed Pledge Date**") to a pledgee ("**Prospective Pledgee**") about the then available intended terms and conditions (including the proposed amount to be secured by the pledge and the duration of the debt financing) of such Permitted Pledge. In addition to the above, CAP shall provide MCI within not less than thirty (30) days' prior written notice from the earlier of the Proposed Pledge Date or the actual date of granting of the pledge, if such date should change (in either instance, the "**Pledge Right of First Refusal Period**"), the final terms and conditions of the Permitted Pledge that have been agreed upon (whether oral or in writing) by CAP and such Prospective Pledgee. MCI shall then have the right, but not the obligation, during the Pledge Right of First Refusal Period to elect to become the lender and pledgee under the Permitted Pledge instead of such Prospective Pledgee in accordance with such final terms and conditions agreed upon by CAP and such Prospective Pledgee.

2.5 In the event that MCI does not exercise its right of first refusal with regard to any Permitted Pledge assignment as provided in Section 2.4 of this Agreement and CAP assigns a Permitted Pledge to a Prospective Pledgee, both CAP and such Prospective Pledgee shall agree at the time of the granting of the pledge that, in the event that CAP defaults, and before such Prospective Pledgee exercises its remedies and forecloses or obtains a foreclosure sale or other remedy that results in such Prospective Pledgee or other party acquiring ownership of CAP's Shares, then such parties must utilize their best efforts to cause any potential buyer of CAP's Shares to also make an offer to MCI to acquire MCI's Shares on the same terms and conditions as CAP's Shares.

2.6 If a pledge is given by CAP and if the process described in Section 2.5 of this Agreement does not result in an offer to acquire MCI's Shares that is accepted by MCI and a Prospective Pledgee then exercises its remedies and forecloses or obtains a foreclosure sale or other remedy that results in the Prospective Pledgee or other party acquiring ownership of CAP's Shares, then, as soon as practical after such transfer of CAP's Shares, CAP must also use its best efforts to identify a buyer for MCI's Shares and to deliver to MCI an offer from such prospective buyer to purchase MCI's Shares on the best terms then available.

3. Applicable Law. The applicable laws of Chile, without giving effect to any choice of law or conflicts of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, shall govern the formation, validity, interpretation, performance, execution, amendment and settlement of disputes under this Agreement.



4. Relation to Master Agreement and SHA. This is one of the supplemental agreements referred to in Section 7.9 of the Master Agreement and Section 10.1 of the SHA.

*[Signature page follows]*

A handwritten signature in black ink, appearing to be the initials 'ML' or similar, located in the bottom right corner of the page.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

**M.C. INVERSIONES LIMITADA**

By:       井 文彦      

Name: Takeaki Doi  
Title: Sub. Gerente General

**CAP S.A.**

By: \_\_\_\_\_

Name:  
Title:


*W*

IN WITNESS WHEREOF, the Parties have executed this Agreement.

**M.C. INVERSIONES LIMITADA**

By: \_\_\_\_\_  
Name:  
Title:

**CAP S.A.**

By:   
Name: JAIME CHARLES  
Title: Chief Executive Officer